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## THE WAR'S EFFECTS ON ENGLISH TRADE UNIONS

The clue to the success of England's war-time labor policy is the inevitable British compromise. Organized labor agreed to the passage of a compulsory arbitration law on the strength of Lloyd George's admission of its representatives to important ministries. This was probably a wise trade. But it was an uncertain one in that nobody is yet prepared to say who got the better of the bargain. For the Munitions Act, which embodies the terms upon which strikes are to be suspended for the period of the war, is a loathsome thing to labor. And the presence of a trade-unionist in the cabinet is regarded by upper-class England as the pure effrontery of a group which if given an inch will try to usurp all officialdom.

So crucial has been this give-and-take in its influence on the trade-union world that the precise terms of the transaction have unusual interest.

The Munitions Act provides a definition of "munition industries" which includes all manufacturing found to be directly or indirectly necessary to the conduct of the war. It declares that in these industries factories working on war orders shall be "controlled"—that is, the right to strike shall be denied; rules, customs, and practices intended to restrict output shall be abolished; disputes over wages, hours, and conditions shall go to one of three tribunals; employees shall leave employment only upon receipt of a "leaving certificate" from a local board; profits shall be taxed on a basis of 60 per cent (later increased to 80 per cent) of excess earnings—these to be reckoned as anything more than a fifth above the average earnings of 1912 and 1913.

In return for the acceptance of this act by labor the following concessions of governmental posts were made: In the first cabinet reorganization of 1915 Mr. Arthur Henderson, the leader of the Labor party, became labor advisor to the government; and when Lloyd George became premier, Mr. Henderson was placed in the war cabinet of five. This first accession was followed by the

appointment of two prominent trade-unionists to the newly created ministries of Labor and Pensions. It is Mr. Barnes, the appointee to the latter ministry, who has recently succeeded Mr. Henderson in the cabinet. And other members of the Labor party are under-secretaries in the Treasury, the Home Office, and the Board of Trade.

The complete if temporary abandonment of long-cherished policies which labor's acquiescence in the Munitions Act implied, and the unprecedented advancement of working-class representatives to high government posts are only two of many changes in the trade-union situation which are directly traceable to the war. All of them in their practical outcome seem destined to be drastic and revolutionary. Their full significance can as yet hardly be guessed. Nevertheless, England has solved the problem of the loyal enlistment of its working class in the war. Labor, broadly speaking, is joined without reservation in the great conflict. It remains only to reckon the price to be paid for this loyalty in terms of post-war readjustment and reform—a reckoning about which there is as yet little popular anxiety.

But the existing agreement between the government and labor has reacted on the policies and activities of unionism to an extent which we, facing parallel problems in this country, cannot afford to disregard. Our excuse for raising at this time questions which American public opinion has always shunned as too controversial and technical is that America will be confronted by the same tendencies which Great Britain has witnessed in trade-union development—and very shortly, if our government's labor policy works out along similar lines. Faced with the likelihood of new and unfamiliar activities and phrases from our manual working groups, it is wise for us to be as familiar as possible with the labor situation which England presents.

In that situation one of the most unlooked-for developments has been the new place of importance assumed by the "shop stewards." These functionaries, generally spoken of in this country as shop chairmen, are the designated spokesmen of the unions in the shops, who have since the war began taken up with the employers the innumerable contentious questions over terms of employment.

Resort to these intermediaries has been necessary for several reasons, the two most important of which relate to the new status of many former union leaders and to the increasing complexity of shop labor problems.

The removal of national union officials to government jobs has widened the distance, geographically and intellectually, between employees and their agents. Abuses have arisen; injustices have gone unrighted; workers have felt that their leaders were out of touch. The shop steward has meanwhile been in the shop; he has known first hand the problems which the war has evoked and has brought to them an understanding mind. In consequence there have been—in violation of the Munitions Act—strikes and demands under the leadership of shop stewards which officials higher in labor circles have repudiated and denounced. Indeed these demonstrations have so alarmed the old-line leaders that they have stood aghast and helpless before such spontaneous signs of power and activity in local groups heretofore quiescent and tractable. The demonstrations have in turn alarmed the middle class with a vision of an undisciplined, wilful body of workers intent on crippling England's war efficiency. They have finally quickened the government into the creation of a Commission on Industrial Unrest which has been studying the reasons why trade-union officials have lost their hold at the very time that union membership is increasing. Nothing could be calculated to disconcert the British employer or political leader at this hour so much as a realization that working-class groups were tending to recognize no accountability and to cherish a sense of independence approaching insubordination.

The second condition which has put power into the shop stewards' hands has been the patent need for employees' representatives with good technical equipment to deal with the employer on the many new points which inevitably arise with war-time administration. Production is now being carried on at a speeded pace, with more and better machinery and with subdivided processes performed by unskilled persons of both sexes. It results that where the piece-work method of employment prevails the fixation of piece prices is a matter of extraordinary difficulty—to be successfully accomplished only by a price committee on which workers and employers

deal together in a conciliatory attitude and with a maximum of technical knowledge. And where the method of weekly payment prevails there are other problems no less vital. There is, for example, a public understanding—the famous Treasury agreement to which the government, the employers, and the trade unions are the parties—which says that in order to effect a restoration of pre-war conditions of employment at the conclusion of the war a record of departures from customary procedure must be kept. And the “dilution of labor” must go on unimpeded; that is, non-unionists must be admitted to the shops and taught processes hitherto reserved for union workers only.

Necessarily, therefore, in the midst of these changes and with the additional disturbing influence of a rising cost of food these recognized local agents of the workers have achieved a place of unique administrative importance. In shop after shop where before the war there had not only been no attempt at representative determination of piece-work prices and other controversial points, but where these had been strongly opposed by employers, the practical utility and intrinsic justice of machinery for adjusting shop differences are being admitted. A few unions are already hard at work on plans to create a hierarchy of representative committees with defined jurisdiction which will take up in each shop, locality, district, and, finally, in the nation at large, problems of labor adjustment and control. What seemed to many to be the irresponsibility of the shop stewards in not obeying the national leaders has proved, therefore, to be the prod needed to arouse employers, the government, and the old-line unionists to the fatal weakness of the present lack of machinery for mediating difficult problems of shop control.

Complementary to this need for methods of mediation is the need for more power to assure that they will be adopted. The influences which wisely make for greater local autonomy in matters affecting individual factories are working simultaneously to project the present unit of labor activity—the craft union—on to the wider, more effective plane of national, industrial organization. The tendency to industrial unionism is today the outstanding fact in British labor activity. The end of 1913 witnessed the first dramatic earnest of this trend in the formation of the “Triple Alliance.”

This alliance is a federation for purposes of united action on common problems, of the National Union of Railwaymen, the Miners' Federation of Great Britain, and the National Transport Workers' Federation. It includes well over a million and a half workers in the economically strategic industries of coal mining and transportation by land and sea—a veritable Bagdad corridor to British economic life.

Already the voice of this alliance has been heard in effective statement of its opposition to the introduction of negro labor into England and of its suggested terms of demobilization after the war. Indeed, not three weeks after the deputation from this body called upon the government to present its suggestions for a demobilization policy with particular reference to the resumption of normal industrial activity after the war, the government made a tentative announcement of policy corresponding closely with that advanced by the Alliance.

But the centripetal tendency is not confined to the "Bagdad" group, although the Alliance has said that it is considering the inclusion of certain other unions which are organized or will organize on industrial rather than craft lines—a declaration which has proved a decided spur to industrial unionism. The tramway workers recently amalgamated into a group including over 100,000. All the associations of operators in cotton mills, which have hitherto been strongly sectional, are seeking to affiliate under a United Textile Factory Workers' Association. The unions in the engineering (machinist) trades are aiming at more effective co-ordination; and the building trades have already effected a coalition which comprises nearly sixty separate unions and societies. Among the unskilled the process of organization has from the first followed industrial lines. There are the National Union of General Workers and the National Federation of Women Workers which, as the name suggests, includes all women workers not otherwise affiliated.

The potency of these large, united groups in demanding new terms for the conduct of the political and industrial life of England has not been altogether unappreciated by British public opinion. In fact outside the working class there is an uneasy feeling that the Alliance and the tendency it typifies are a threatening ominous

power which may be turned loose in quite unprincipled ways as soon as the war is over, if not before. But this view is rather a result of the "carried-to-its-logical-conclusion" attitude of mind than one derived from a cool balancing of the stakes at issue, the tendencies at work, and an appreciation of the astuteness of the younger labor leaders.

There have, moreover, been quiet influences at work to make it seem hopeful that the task of reconstruction will be dominated by more disinterested motives and more expert leadership than have formerly controlled the industrial destinies of England. Brilliant pamphlets, weeklies, and reports of as yet unrecognized committees all discussing reconstruction proposals; the creation of an able National Reconstruction Ministry; the convention inspired by the Russian revolution held at Leeds to organize English workmen's councils—these are signs of a new temper and new vitality in the consideration of industrial reforms.

Not the least of the causes of this new and fresh determination to secure a radical redistribution of power in the government of industry has been the searching test to which the profiteering motive and system have been subjected by the war. English workers have been joined by many Liberals in their claim that the futility and wastefulness of private competitive profits have been tragically exhibited at a time when cheap and rapid production is essential. They have, moreover, made good their point that this wastefulness of competitive business is equally true in peace times, although the dire results may be somewhat less immediate. The case for the national ownership of railroads, mines, and shipping, for the increased public control of agriculture and the food supply, is now proved, therefore, to the complete satisfaction of the British working class. And the profit motive and the private right to excess profits from essential industries are being more and more widely repudiated as the war gains of the capitalists become better known. In the railroads, mines, and cotton mills the investors have during the war been guaranteed their pre-war dividends. In munition industries 20 per cent more than pre-war dividends are permissible, with generous allowances for depreciation, replacement, and surplus. And in all other industries any profits that can be extracted are

allowed—minus, of course, the regular income taxes. The situation of entrenched financial security in which this leaves the loaners of capital is resented by English labor and will be more resented as it becomes understood. Its effect in fomenting disaffection among workers of Great Britain is only beginning to tell.

But that labor's grasp of the problem is a fundamental one is clearly evidenced by the nature of the discussion of financial reconstruction which is included in the recent report to the Nottingham Conference on general reconstruction policy. This report stipulates that—

for the raising of the greater part of the revenue now required the Labor party looks to the direct taxation of the incomes above the necessary cost of family maintenance; and for the requisite effort to pay the national debt, to the direct taxation of private fortunes both during life and at death. . . . . But this will not suffice. It will be imperative at the earliest possible moment to free the nation from at any rate the greater part of its new load of interest-bearing debt for loans which ought to have been levied as taxation; and the Labor party stands for a special capital levy to pay off, if not the whole, a very substantial part of the entire national debt. . . . .

The distrust of political procedure which was a fact before the war is gaining headway now that the Munitions Act for which the Labor party voted is found to place serious restrictions on the worker's freedom of action. Again, the accession of unionists to places of administrative power has not proved to be the marvelous achievement predicted. For not only have the leaders gotten away from the working class, but responsibility has inevitably sobered their judgments. A growing faith in direct action has consequently resulted, of which shop stewards and industrial unionism are the tangible evidences. Effective and immediate action now becomes possible at the two vital extremes—within the local factory in settling shop problems and in national industrial affairs influencing country-wide policies.

But meanwhile the government is in the harness, and problems of demobilization and reconstruction must be met in part at least by parliamentary action. The government's promise to restore pre-war conditions of employment, although seen by union leaders to be impossible of fulfilment, gives reason enough for labor's concern about its political influence at the war's close. A new alignment

which will lend power and give clearer direction to working-class political aims has become inevitable. The approaching passage of the franchise reform bill, the stiffening of the national labor leaders' front which resulted from the government's refusal to grant passports last fall to the labor conference at Stockholm—these with many other factors have contributed to a virtual rejuvenation of the Labor party. And, when in answer to an exceedingly able statement of labor's war aims, Mr. Lloyd George saw fit to make his own historic speech on contemporary British peace terms to a trade-union gathering, the new political significance of labor in England was established beyond all question. Already with the reorganization of the Labor party in order to include head as well as hand workers, with the admission of women, and with the close co-operation of the political workers in the co-operative societies, the workers give promise of returning to Parliament in the next general election at the very least one hundred and fifty Labor members. Indeed, while speculation in these changing times is of no avail, it cannot be ignored that the possibility of a Labor or a Labor-Liberal ministry is being seriously discussed abroad.

The essential effect of the war upon the labor movement in England has therefore been to force the habit of realistic thinking. This is an incalculable benefit, not only to the movement itself, but to the whole country. To have four million organized workers come to see the need for intelligent, responsible action in shop committees is to create a genuine situation in which the whole limitation-of-output question—to mention only one—can be sensibly thrashed out. To have workers realize the latent power of organization not only inside the shop but in national and international units is to disclose to workers how the powerful economic pressure which they can exert may be used to gain wise social ends. And to have them understand that political weapons must be wielded in harmony with their economic efforts is to make plain the necessary many-sidedness of the struggle for industrial reorganization.

The realism of British labor thinking has, indeed, followed logically the progress of events and influences as we have already indicated them. In the effort to preserve the nation the labor leaders were in the first instance called in to advise and to occupy

high governmental posts. Representatives of the workers are being increasingly consulted in the reshaping of shop policies. The miners and other smaller groups have found that their disobedience of the compulsory arbitration law has gone unpunished. And now, most recently, in order to hold the workers longer with the government in the prosecution of the war, the labor leaders forced an official restatement of war aims, and they will scrutinize with great care each diplomatic and military move which appears to them to lead away from the central purposes of the conflict. Indeed it is not too much to say that fundamentally the workers are in control of the home and foreign policies of England. Nominally this is not true; but beneath the surface the indications are unmistakable that the effect of the war will be to give the workers a place of unprecedented recognition and power in the control of English life.

What then is the meaning of these tendencies we see at work in the labor movement in England?

Inevitably the answer is still in the making, although significant developments stand out. The war has brought home to the younger labor leaders the need for new policies. The program of reconstruction which was considered by the Labor party at Nottingham made a significant beginning in the statement of these policies. Labor is now clear in its determination to champion "(a) the universal enforcement of the national minimum; (b) the democratic control of industry; (c) the revolution in national finance; and (d) the surplus wealth for the common good." If, as is highly probable, political power after the war is more securely in the workers' hands, the working out of measures in these directions will not be slow in coming. The leaven of the idea that industry and the whole national economy should be carried on by democratically responsible citizens as a public service is making its way.

Nor is it in politics alone that the proletarian influence will be exerted in the application of this new idea of social organization. The realignment of power brought by industrial unionism—which was incipiently suggested in our own threatened railroad strike in the fall of 1916—gives the fullest sort of reinforcement to parliamentary action. And, hopefully enough, these exhibitions of

economic power of which the Triple Alliance is illustrative are not in England being met by denunciatory rhetoric and panicky activity, but by a sustained effort to build up in the institutions of the country new forms of constitutional control over industry, more representative, more direct, and more informed than could ever be afforded in existing legislative bodies. The industrial reconstructionists are working away at a sound theory upon which all democratic countries will have to act. They are insisting that the industrial function requires for its effective performance a mechanism and organization adapted to that function. We cannot keep on pouring the new wine of industrial control into the old bottles of large, unwieldy, politically controlled assemblies nominally representative of geographical areas. The development through industrial unionism of the idea of separate industrial bodies representative of genuinely different economic interests in each industry is destined at no distant time to bring into being national industrial councils along lines which all the reconstructionists have been advocating since their programs began to appear in the spring of 1916.<sup>1</sup>

Moreover, the critical problems of war time have been shown to be those which center about the production of goods. The British proletariat realizes this as does no other class. The production in which it is engaged is pivotal to national existence. But industrial problems have in the war crisis been getting the attention they merit only when they have been dealt with as problems of production by informed representatives of all the interests at stake, and not as political questions to be decided by well-intentioned but ill-informed legislators. Understanding this, the English labor movement has seen with quickened vision that its service to Great Britain cannot be adequately performed unless it shares permanently in a direct and concrete way in the government of industry. Production, it insists, is as profoundly a national concern when the maintenance of citizens is concerned as well as when the lives of soldiers are at stake.

<sup>1</sup> For an extensive examination of these programs see my article in the *Political Science Quarterly*, March, 1918, on "The British Reconstruction Programs."

The implication is plain: That nation which wants labor, organized and unorganized, loyally with her in and after this war, must accord to its responsible working-class movement as much control as labor stands ready to exercise efficiently over affairs which affect it vitally. And it must, if the things for which the world is fighting are to be worth the blood, see to it that its industrial population achieves a new place, not only of influence, but of security and intelligence.

Our summary sketch of English trade-unionism during the war can contribute not a little, therefore, to an enriched conception of a democratic nation. The type of commonwealth for which we are fighting is one in which democracy is made safe by being domesticated and localized in the industrial world at the same time that it is made possible by a distribution of political and economic power which is consonant with individual capacity and community well-being.

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